

2014

# OMWBE Guidelines for Agency Reporting



Washington State Office of  
**MINORITY &  
WOMEN'S**  
Business Enterprises

The Office of Minority and Women's Business Enterprises  
OMWBE Guidelines for Agency Reporting

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## Introduction

### Background

The OMWBE Reporting System (ORS) was the primary tool used to monitor MWBE business participation in state procurement and public works. Full participation in ORS allowed the office to monitor state expenditures and provide feedback to the reporting agencies and educational institutions. OMWBE used the expenditure data from the agencies and institutions to prepare quarterly and year-end reports. A staff person would analyze each report manually, which was a laborious, time-consuming process.

### Purpose

The purpose of this document is to provide state agencies with guidance for reporting expenditures OWMBE in a manner that allows the Office to calculate how much money each institution and college spends on contracting and procuring with certified Minority Business Enterprises (MBE), Women's Business Enterprises (WBE), and non-certified businesses.

OMWBE intends these guidelines to provide agencies with data collection and reporting standards, which would, in turn, allow OMWBE to report agency compliance with annual goals established pursuant to Chapter 39.19 RCW to the Legislature and Governor's Office.

### Legal Authority

Chapter 39.19 RCW establishes the minority and women's business enterprise program. The statute applies to all public works and procurement, specifically chapters 28B.10, 39.04, 39.29, 43.19, 43.105, and 47.28 RCW. The statute requires OMWBE to establish annual percentage goals for the participation of minority and women's businesses, and to establish a system of monitoring compliance. The statute also requires each state agency to comply with the annual goals established by OMWBE.

*RCW 39.19.060 - Compliance with public works and procurement goals — Plan to maximize opportunity for minority and women-owned businesses --- Each state agency and educational institution shall comply with the annual goals established for that agency or institution under this chapter for public works and procuring goods or services. This chapter applies to all public works and procurement by state agencies and educational institutions, including all contracts and other procurement under chapters 28B.10, 39.04, \*39.29, 43.19, and 47.28 RCW. Each state agency shall adopt a plan, developed in consultation with the director and the advisory committee, to insure that minority and women-owned businesses are afforded the maximum practicable opportunity to directly and meaningfully participate in the execution of public contracts for public works and goods and services. The plan shall include specific measures the agency will undertake to increase the participation of certified minority and women-owned*

*businesses. The office shall annually notify the governor, the state auditor, and the joint legislative audit and review committee of all agencies and educational institutions not in compliance with this chapter.*

All agencies are required by WAC 326-40-050 to make expenditure data available to OMWBE.

### **Expenditure Reporting - Overview**

OMWBE prepares utilization reports based upon data submitted by state agencies. OMWBE does not verify the correctness of any of the data elements, such as identity of payee, dollar amount, or type (assigned sub-object). This report also identifies any decertified firms during the reporting period.

These reports reflect the discretionary purchasing decisions of the agencies. Therefore, only those expenditures categorized in Agreed Sub-Object Base are calculated. The sum of the expenditures in these sub-objects constitutes the “Reporting Base” including Travel (GB and GG at 12%). Expenditure records in all other sub-objects are not part of the utilization reports. (See [Agreed Sub-Object Base](#).)

## Reporting Process

### Community Colleges/CIS Reporting

The reporting process begins when CIS electronically reports its expenditures ("records") on behalf of the colleges. Records are reported to the CIS and then directly to OMWBE by providing a monthly batch report.

### Universities/Institutions

Currently, universities/institutions report directly to OMWBE. In all instances, individual expenditures must be recorded in accordance with the format set forth in Appendix A.

Colleges/Universities do not need to identify the certification status of firms (e.g., MBE, WBE, MWBE, or CBE). OMWBE verifies the certification status of a firm with the TIN number. If the TIN numbers match, the dollar value of the record is aggregated to the report. Any record that does not include a TIN number will be disqualified.

In addition to obtaining credit for expenditures to M/WBE vendors, Colleges/Universities may also obtain credit for payments made to M/WBE travel agencies for airline tickets and to M/WBE subcontractor and supplier vendors. Colleges/Universities must manually report this expenditure data in accordance with instructions contained in OMWBE CTC- Colleges Guidelines

### State Agencies

OMWBE and DES worked together to create a new Enterprise Report called the OMWBE Diverse Participation Report to replace the former ORS report. This report takes advantage of existing practices and matches data reported by state agencies to the Agency Financial Reporting System (AFRS) and OMWBE's Database of certified firms. Similar to the ORS report, agencies can select summary level data and see line item transactions. (See [OMWBE Diverse Participation Report Detail](#))

Agencies that report their expenditures correctly to AFRS will satisfy the reporting requirement.

## Reporting Requirements

All payment entries into AFRS must contain certain required elements to be analyzed, namely:

1. A valid 9-digit vendor Taxpayer Identification Number (TIN). **Note:** *The TIN number cannot contain identical digits, i.e., 000000000 or 999999999. (Blanks are not valid.),*
2. One sub-object selected from OFM/DES's Agreed Sub-Object Base (See Appendix A),  
and
3. Dollar amount of the expenditure.

## Determining Utilization

Credit is only given for payments made to minority or women business enterprises that are certified by OMWBE using the following formula: The dollar amount of expenditures to MBEs and WBEs is divided by the Participation Base to obtain the utilization percentages.

**Note:** *Expenditures to Minority Women Business Enterprises (MWBE) are included in the MBE dollar amount and percentage.*

## Accessing the Report

The report is available to registered users of [Enterprise Reporting Services](#). If you do not have a user id, one can be obtained by contacting DES Solutions Center at [solutionscenter@des.wa.gov](mailto:solutionscenter@des.wa.gov) or (360) 407-9100. The report can be found under Public Folders>Diversity Compliance>Diversity Participation.

Question about accessing and using Enterprise Reporting Services can be directed to the DES Solutions Center at [solutionscenter@des.wa.gov](mailto:solutionscenter@des.wa.gov).

Questions regarding Procurement Reform or the companion Diverse Business Spend Report can be directed to [DESProcurementReform@des.wa.gov](mailto:DESProcurementReform@des.wa.gov).

Questions regarding Department of Veterans Affairs data can be directed to [communications@dva.wa.gov](mailto:communications@dva.wa.gov).

Questions regarding the OMWBE Diverse Participation Report and data can be directed to [OMWBEWebAdmin@omwbe.wa.gov](mailto:OMWBEWebAdmin@omwbe.wa.gov).



## Appendix A

OMWBE was the first agency to establish financial system instructions to create a set of financial expenditure data that represents discretionary spending by state agencies as directed by the state's socio-economic goals for diversity; including firms certified by OMWBE. Several changes occurred prompting the need to amend financial instructions and expand their use to socio-economic goals other than OMWBE certified vendor participation:

1. Some financial data changed due to agency mergers and market changes. This prompted a need to change the financial instructions so it represents the current state of agency accounting and the current market.
2. The legislature established new socioeconomic groups in Washington State Law:
  - Businesses certified by the Washington State Department of Veterans Affairs.
  - Businesses self-certified as a Washington Small, Mini or Micro Businesses using (WEBS).
3. The governor and state legislature established similar state reporting requirements for all categories of business diversity participation. To represent discretionary spending by state agencies directed by the states socio-economic goals for diversity; and provide the most consistent reporting for all diversity participation reports, the three state agencies agreed on common instructions to create the financial expenditure data set used by the financial systems.
4. Sub-object codes have been consolidated and renamed in the SAAM manual as maintained by the Office of Financial Management.

The Washington state agencies of OMWBE, DVA and DES agreed the following represents the appropriate financial expenditure sub-objects to use for calculating the base for the diverse spend and participation reports:

1. Construction and Engineering & Architectural Service
  - JE - Land
  - JF - Buildings
  - JG - Highway Construction
  - JH - Improvements Other Than Buildings (Non State Highway System)
  - JJ - Grounds Development
  - JK - Architectural and Engineering Services; and
  - JL - Capital Planning recommend for inclusion for subcontractors
2. Professional Services
  - CA - Management and Organizational Services
  - CB - Legal and Expert Witness Services
  - CC - Financial Services
  - CD -Computer and Information Services
  - CE - Social Research Services

- CF - Technical Research Services
- CG - Marketing Services
- CH - Communication Services
- CJ - Employee Training Services
- CK - Recruiting Services; and
- CZ - Other Personal Services; and change object title to Personal Service Contracts

### 3. Purchased Goods

- EA - Supplies and Materials, FH- Raw Materials (Direct Materials)
- JA - Non-capitalized Assets
- JB- Non-capitalized Software
- JC - Furnishings and Equipment
- JM - Art Collections, Library Reserve Collections, and Museum and Historical Collections
- JQ - Software; and
- JZ - Other Capital Outlays

### 4. Purchased Services

- EB - Communications and Telecommunications Services
- EE - Repairs, Alterations, and Maintenance
- EF - Printing and Reproduction
- EH - Rentals and Leases – Furnishings and Equipment
- ER - Other Purchased Services
- ES - Vehicle Maintenance and Operating Costs; and
- EZ - Other Goods and Services
- ED - Rentals and Leases – Land and Buildings
- ET- Audit Services, EG- Employee Professional Development and Training;
- JN - Relocation Costs
- Note: the following are retired codes and are excluded going forward, but are included for older fiscal year base calculations:
  - EP- Insurance
  - FD- Freight-In, and change the object title to Goods and Services

### 5. Travel

- GB - In-State Air Transportation
- GG - Out-of-State Air Transportation with the multiplier of twelve percent (12%).<sup>1</sup>

### 6. Exceptions –Exception codes will no longer be deducted from the reporting base.

<sup>1</sup> Expenditures to travel agencies were previously counted at twenty (20%) percent of the dollar amount of the payment and OMWBE calculated an adjustment so monthly reports reflected twenty percent (20%) of the total value in the MBE and WBE utilization column for purchased services. The agreed change in percentage is based on current market practices and was confirmed to be twelve percent (12%) by DES analysis and confirmed by OFM.



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